

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS DANIEL
(OCA/USPS-T29-6-7)

The United States Postal Service hereby provides responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T29-6-7, filed on August 26, 1997.

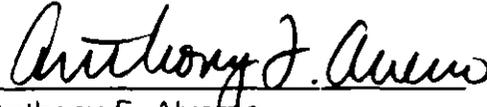
Each interrogatory is stated verbatim and is followed by the response, except that the interrogatory numbers preceding the questions are corrected to refer to testimony number T29.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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September 9, 1997

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OCA/USPS-T29-6. You state on page 5 that the average clerk and mail handler TY wage rate now has been deaveraged for Remote Encoding Center activities and non-REC activities.

- a. Please describe in detail what you mean by Remote Encoding Center activities, and what they are comprised of.
- b. Why was wage rate deaveraging chosen for such activities?
- c. Within the scope of your testimony, what other activities have been deaveraged for wage rate purposes?
- d. Does the Postal Service have plans for further deaveraging of wage rates in its cost analyses? To the extent such plans include areas outside your immediate testimony, please refer them to an appropriate witness, or the Postal Service for an institutional response.
- e. Within the scope of the operations relating to your testimony, what is the potential for obtaining deaveraged rates for all operations?
- f. Within the scope of the operations relating to your testimony, are operations graded by difficulty, so that, for example, only employees within specific pay ranges and with specific job qualifications can perform those operations?

RESPONSE:

- a. Remote Encoding Center activities are activities performed by clerks and mailhandlers at remote encoding centers, where clerks view video images of mailpieces and key address information on those pieces. See page 6 of USPS-T-4. The Remote Encoding Center (REC) wage is the average clerk and mail handler wage for the REC sites as developed in Parts I and VIII of LR-H-146.
- b. Wage deaveraging was chosen as shown at page VIII-2 of LR-H-146 because of the large difference between the wages at REC sites and other mail processing facilities.
- c. See page VIII-2 of LR-H-146.
- d. No.
- e. Wages can be obtained by Labor Distribution Code (LDC). See the response to OCA/USPS-T22-7.

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f. Yes

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OCA/USPS-T29-7. At page 3, final paragraph, you list various facilities (e.g., outgoing primary, automated area distribution center, etc.) in the mailstream. And at page 1 of Appendix I you use an average wage rate of \$25.445 for all such facilities.

- a. Does the capability exist for the Postal Service to obtain actual wage rate data for each of those facilities, and construct an average wage rate that may differ for each step in the mailstream?
- b. If so, please describe how it would be obtained.
- c. If not, why not?

RESPONSE:

- a. The sort levels identified on page 3 lines 24-25 of USPS-T-29 are operations, not facilities. Total salaries and hours data, necessary to compute wages, are available at the Labor Distribution Code (LDC) level, but not by specific MODS operation (e.g. outgoing primary, etc.) or individual operations at non-MODS facilities. LDCs are described in USPS LR-H-146 at pages I-32 to I-38, and LDC costs are presented on pages I-12 to I-26.
- b. Not applicable.
- c. As indicated in subpart (a), total salaries are not available for each MODS operation and individual operations at non-MODS facilities.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


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